

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 292
Committee Substitute Favorable 4/24/13
Committee Substitute #2 Favorable 6/27/13
Senate State and Local Government Committee Substitute Adopted 6/10/14
Fifth Edition Engrossed 6/12/14

Short Title: Moratorium/Lawsuits for Sch. Funds.

(Local)

Sponsors:

Referred to:

March 14, 2013

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A MORATORIUM ON FILING OF ACTIONS BY CERTAIN LOCAL BOARDS OF EDUCATION CHALLENGING THE SUFFICIENCY OF LOCAL FUNDS APPROPRIATED TO THE PUBLIC SCHOOLS BY THE COUNTY BOARD OF COMMISSIONERS.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 115C-426, 115C-431, and 115C-432, a local board of education shall not file any legal action challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both.

SECTION 2. G.S. 115C-429(b) reads as rewritten:

"(b) The board of county commissioners shall complete its action on the school budget on or before July 1, or such later date as may be agreeable to the board of education. The commissioners shall ~~determine the amount of county revenues to be appropriated in the county budget ordinance to the local school administrative unit for the budget year. The board of county commissioners may, in its discretion, allocate part or all of its appropriation by purpose, function, or project as defined in the uniform budget format.~~ appropriate moneys as follows for each indicated fiscal year:

(1) For the 2014-2015 fiscal year, at least eighty-seven million ninety-seven thousand eight hundred eighty-four dollars (\$87,097,884) for the local current expense fund and at least nineteen million five hundred thirty-one thousand five hundred eighty-two dollars (\$19,531,582) for capital outlay.

(2) For the 2015-2016 fiscal year, at least an amount equal to the local current expense fund appropriation for the 2014-2015 budget year plus (i) an inflationary increase based on the most recent annual consumer price index for all urban workers (CPI-U) and (ii) any increase in the average daily membership in the local school administrative unit in the first 20 days of the school year from the prior school year, and at least nineteen million seven hundred eighty-six thousand twenty-four dollars (\$19,786,024) for capital outlay."

SECTION 3. On or before August 1, 2014, the Union County Board of Commissioners and the Union County Schools shall jointly establish a working group to develop a multiyear plan to address existing and ongoing capital needs of the Union County



1 Schools. The working group shall consist of up to 14 people, half appointed by each board. The
2 working group shall complete its work and report to the Union County Board of
3 Commissioners and the Union County Schools on or before June 30, 2015.

4 **SECTION 4.** Sections 1-3 of this act apply only to Union County.

5 **SECTION 4.5.(a)** G.S. 115C-431 is repealed.

6 **SECTION 4.5.(b)** The local board of education shall not file any legal action
7 challenging the sufficiency of the funds appropriated by the board of county commissioners to
8 the local current expense fund, the capital outlay fund, or both.

9 **SECTION 4.5.(c)** This section applies only to counties of Gaston and Nash.

10 **SECTION 4.5.(d)** This section expires upon the adoption of the 2016-2017 fiscal
11 year budget by the appropriate board of county commissioners.

12 **SECTION 5.** If any provision of this act or its application is held invalid, the
13 invalidity does not affect the other provisions or applications of this act that can be given effect
14 without the invalid provisions or applications, and to this end the provisions of this act are
15 severable.

16 **SECTION 6.** Section 1 of this act is effective when it becomes law and expires
17 upon adoption of the budget ordinance by the Union County Board of Commissioners for the
18 2016-2017 fiscal year. The remainder of this act is effective when it becomes law and shall not
19 affect any action filed prior to the effective date of this act.